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Re: Proposed Revisions to the FFIEC 009 and FFIEC 009a Reports

Citigroup remains supportive of the objectives and appreciates the opportunity to comment on the proposed revisions to the FFIEC 009 and FFIEC 009a Reports that were published in the *Federal Register* by the Federal Reserve Board (Board), the Federal Deposit Insurance Corporation (FDIC), and the Office of Comptroller of the Currency (OCC), under the auspices of the Federal Financial Institutions Examination Council (FFIEC), on January 29, 2013.

Concerns with the Proposed Revisions

Timeframe:

The proposed June 2013 timeframe is very aggressive; providing only a short window to make the necessary changes to the source systems and infrastructure. These changes include programming for the new requirements in product systems, incorporating the new requirements into the data collection mechanism and providing field training globally. While discussions regarding these changes have been ongoing for over one year, actual change management processes can only begin after the final rules are issued.

U.S. as Reportable Country:

We appreciate that adding U.S. exposures to CER is beneficial as it will facilitate the reconciliation with FR Y-9C. However, by adding the U.S. exposures, a significant increase in the overall work load to collect and analyze will be required.

Households:

We recommend the FRB clarify the definition of the household sector by reference to FR Y-9C line items. Providing explicit guidance will allow for consistency among the reporting institutions. The current definition could be interpreted as household only items. Other lines of Schedule HC-C, i.e., Loans secured by real estate could also have household sector customers.



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CDS (Baskets or Indexes):

Since it is not a requirement for managing exposure or profitability, most reporting institutions do not maintain the level of detail on their CDS "basket of securities or indexes" portfolio to easily allocate the exposure to the underlying collateral. As such, determining the allocation will require a significant effort for little gain. The additional effort includes verifying indexes using Bloomberg and allocating the exposure accordingly to each country for each issuer. The volume of transactions that are collateralized by baskets of securities will add an extra time-consuming step to the process. For example, one of the positions we have contains over 120+ ITRAXX indexed baskets that each contains in average 80 securities each. Allocating relative exposures for such a transaction will require the manual analysis of 1,000 securities using Bloomberg. Citi recommends allowing reporting institutions the option of reporting the Indexed basket of securities against the Other Geographic Regions as currently.

Liabilities:

Citigroup will select to opt out of reporting on schedule "D" the optional columns 7 (Revaluation Gains on Local Residents) and 8 (Revaluation Losses on Foreign Offices). The ultimate outstanding country exposure on the 10K report and FFIEC009A will not take in consideration the local liabilities as a reducer on the Local Franchise Exposure (LFE) calculation. Citi was opting to report those lines only because they were part of the LFE calculation.

Please do not hesitate to contact Marcello D'Amore, Senior Vice President, should you have any questions about the aforementioned concerns.